

Indiana Commission for Higher Education

**Indiana's Framework
for Policy and Planning Development in Higher Education**

November 14, 2003

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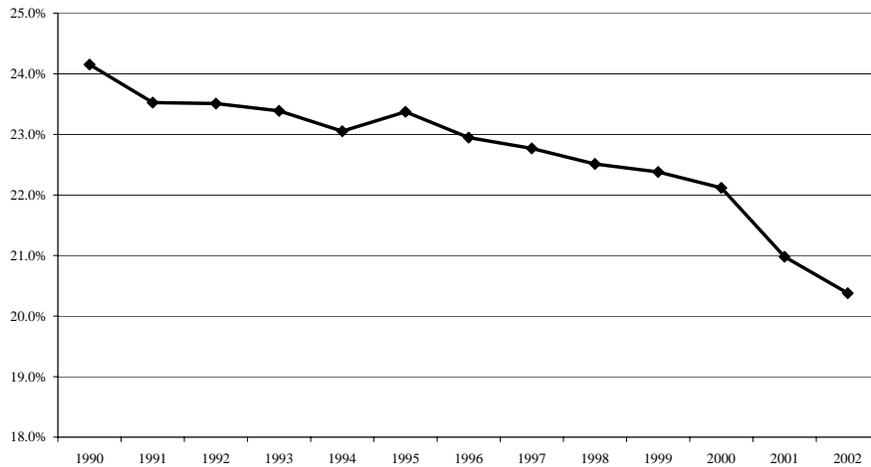
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Indiana's Framework for Policy and Planning Development in Higher Education

Higher Education is a key component to a diverse, strong, and growing economy for Indiana. This is particularly significant as Indiana continues to shift from a primarily manufacturing to a knowledge-based economy. Although Indiana can be proud of its accomplishments to strengthen collegiate preparation as well as participation in higher education, the continued shifts in Indiana's economy require efforts to encourage even more young adults to realize and pursue the benefits of postsecondary education.

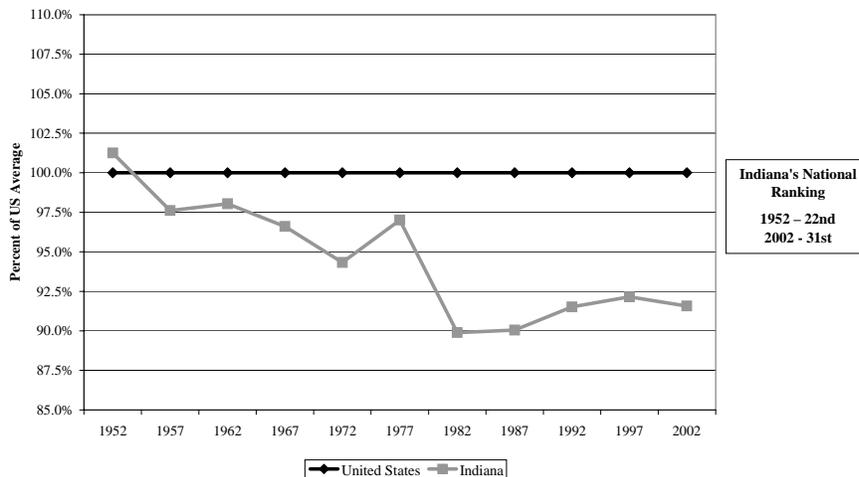
Manufacturing Employment as a Percent of Indiana Non-Farm Employment



Source: Bureau of Labor Statistics.

Such economic shifts also have a significant impact on the state's working adults aged 25 to 45. Parallel to the decline in manufacturing employment, Indiana also has experienced a decline in per capita income compared to the national average.

Indiana Per Capita Income Compared to U.S. Average



Source: Bureau of Economic Analysis.

The state must respond by investing in its current workforce through expanded affordable opportunities. Above all else, the future of our state requires a dramatic increase in the number of students successfully completing their college goals and residing in Indiana following graduation reversing the loss of 10,000

college graduates each year from the state. This challenge must be met with higher education programs noted for excellence and forward-looking research.

Over the past decade, there has been a renewed, shared sense of the importance of education in the state. Significant progress has been made in several areas, and more is anticipated in the near term. Sustained progress and ultimate success, however, will depend on a commitment that transcends time. Indiana must now take bold steps for the future of its citizens. This requires an aligned educational system focused on supporting student needs and expanding economic development opportunities in a comprehensive approach.

This framework outlines key goals toward an educational system that closes the gaps between higher education participation and employment and career success, strengthens educational excellence, and promotes scholarship and research. The framework outlines critical challenge areas to address over the next few years. The goals will be achieved through a commitment to:

1. *Provide a vision of higher education for Indiana;*
2. *Affirm consensus on existing policies that advance the role of higher education in Indiana;*
3. *Develop a collaborative structure for sustained improvement of education in Indiana at all levels;*
4. *Identify new areas for policy development and enhancement;*
5. *Articulate how policies can interact and combine to create an effective system of postsecondary education built on the strengths of separate institutions; and*
6. *Establish indicators that will provide accountability and evidence of success.*

The success of this concerted effort will depend on collaboration and sustained support from the institutions themselves, public schools, governmental agencies, corporate leadership, and non-profit organizations dedicated to improving the state.

A VISION FOR POSTSECONDARY EDUCATION IN INDIANA

In order to secure for its people a high quality of life based on economic and social equity, active engagement in the responsibilities of citizenship, opportunities for personal advancement in every area of human endeavor, and economic, cultural, and civic prosperity, the State of Indiana will support fiscally and politically the development and sustainability of one of the nation's most effective systems of public postsecondary education as measured and evaluated against standard national measures of performance.

Indiana will be noted for the high degree of collaboration among its public institutions and between the public and private sectors. It will set the highest expectations for both access and quality as inextricably linked to resource utilization and investments. It will achieve a degree of purposeful integration of learning that spans pre-school to post-baccalaureate levels, including life-long learning. It will ensure access and academic success for all of its citizens, especially those who are historically underrepresented and those who are first-generation college students – all of whom must be fully engaged in education at all levels if Indiana is to realize its potential. It will be celebrated for its success in engaging colleges and universities in the improvement of their own local communities. And it will be recognized for the role research plays in generating new knowledge and applications of knowledge that can be used for the benefit of the state's citizens as well as for the advancement of learning at all levels.

The foundation of this vision is the existing range and strengths of public colleges and universities. Supported and directed by a shared vision of the future and a commitment to invest in higher education at a level necessary for success, these institutions can be the state's guarantee of a vibrant future.

BROAD SYSTEMIC GOALS

With Governor Frank O'Bannon's actions to create a statewide community college system through a partnership of Ivy Tech State College and Vincennes University, deliberate discussion and debate were initiated within the state's higher education community and the Indiana General Assembly over the most appropriate and effective way to deliver associate degree programs and technical education to Indiana citizens. The debate and discussion over the new community college system prompted a healthy dialogue among state policymakers and higher education officials concerning the general structure of Indiana's public system of higher education. Through collaborative efforts, policies concerning specific areas of the system have been developed and refined.

This document pulls together these specific policies as a means of planning a new future for higher education that meets the specific needs of Indiana residents in an efficient and cost effective manner while providing for the necessary range of learning opportunities at a level of quality that will ensure the state's competitiveness for decades to come. The policy issues addressed here are a beginning, not an end. To succeed, Indiana must be prepared to change continuously and to adapt its system of higher education to meet emerging challenges. It can do so through an intentional, candid, on-going assessment of its policies, practices, and results. A set of six broad goals will guide this framework for Indiana's higher education system.

Goal 1: Increase participation in higher education to exceed national levels.

Goal 2: Increase collegiate preparation to maximize the potential for student success.

Goal 3: Ensure higher education is affordable for all Hoosier families.

Goal 4: Increase student persistence and degree completion to exceed national levels.

Goal 5: Assist the state in sustaining strong economic growth.

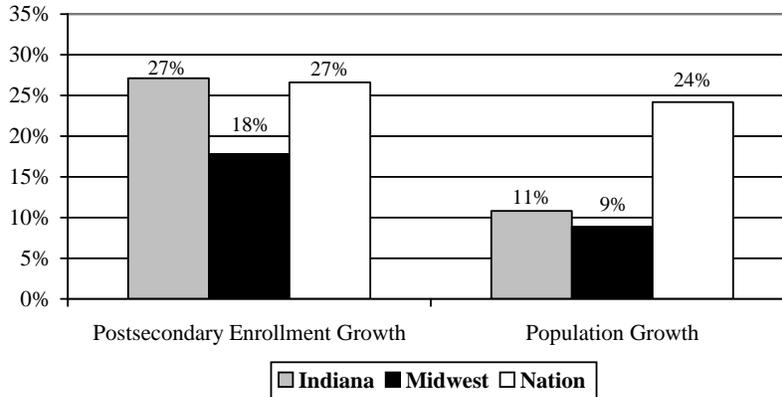
Goal 6: Promote a statewide discussion of ways to promote and measure postsecondary student learning.

GOAL 1: INCREASE PARTICIPATION

Overview- Participation

The health of higher education in any state typically is measured by enrollment. In this respect, Indiana has made steady progress over the past two decades, outpacing the growth in other Midwestern states and perhaps more importantly outpacing Indiana's own modest population growth.

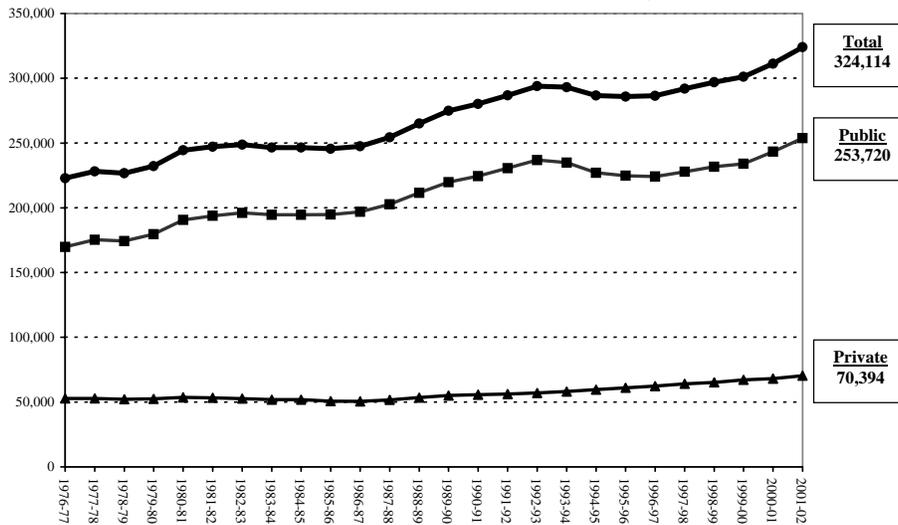
**Cumulative Growth in Postsecondary Enrollment and Population
1980-2000**



Source: U.S. Department of Education, National Center for Education Statistics, Higher Education General Information Survey (HEGIS), "Fall Enrollment in Colleges and Universities" surveys; and Integrated Postsecondary Education Data System (IPEDS), "Fall Enrollment" surveys; and U.S. Census Bureau, Current Population Survey.

The state should take pride in such progress as it continues to set steady, unprecedented records in college participation.

Fall Headcount Enrollment in Indiana Postsecondary Institutions



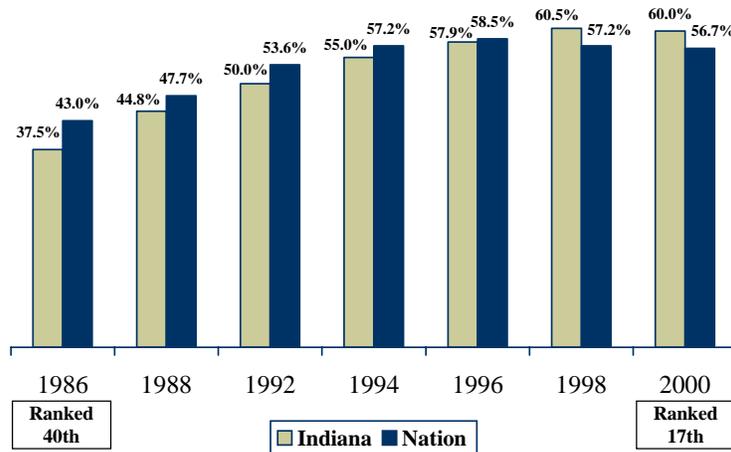
Source: Indiana Commission for Higher Education.

College-going Rate

An analysis of the recent enrollment growth reveals that the most substantial improvement has occurred in the rate in which high school seniors enroll in college in the fall semester immediately following graduation. In 1986, Indiana ranked 40th in the nation with a 38% college-going rate. In 2000, this percentage rose to 60% ranking Indiana 17th in the nation. This increase over fourteen years represents a real progress in both an absolute and relative sense. More importantly, such progress must represent that

Indiana students and their parents have decided that going to college is an important part of their future. This is in direct contrast to the former belief that one could get a good job without a college degree.

Percent of High School Graduates Enrolled the Next Fall in Postsecondary Education



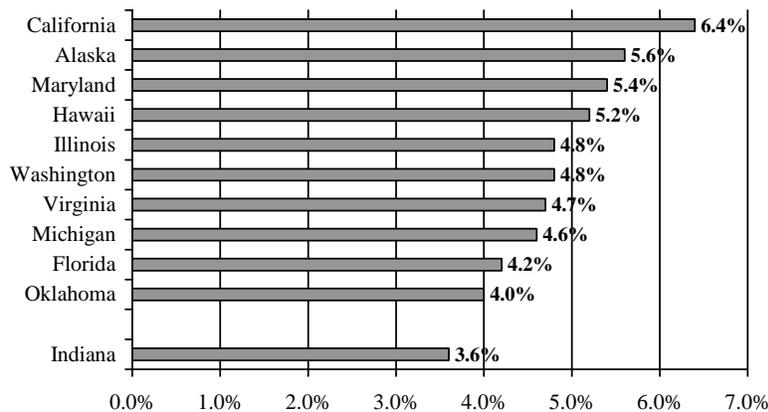
Source: Postsecondary Education Opportunity, Oskaloosa, Iowa.

Even with this dramatic success, the state cannot afford to be comfortable with such progress. Efforts to not only maintain high college-going rates, but also increase them to even higher levels will be critical to ensuring that the state has the solid foundation to compete in a global economy. By investing early in a young Hoosier's life, the state is well positioned to cultivate long-term benefits.

Adult Participation

Indiana also has recently focused efforts on increasing opportunities for older students to pursue a college education or advanced technical training. The proportion of Indiana's adult population participating in postsecondary education (3.6%) is significantly below the national average (4.4%) and the neighboring states of Illinois (4.8%) and Michigan (4.6%). In order to meet the national average, Indiana would need to enroll an additional 30,000 students per year. Indiana would need to enroll an additional 80,000 students per year to match the adult participation rates of Illinois.

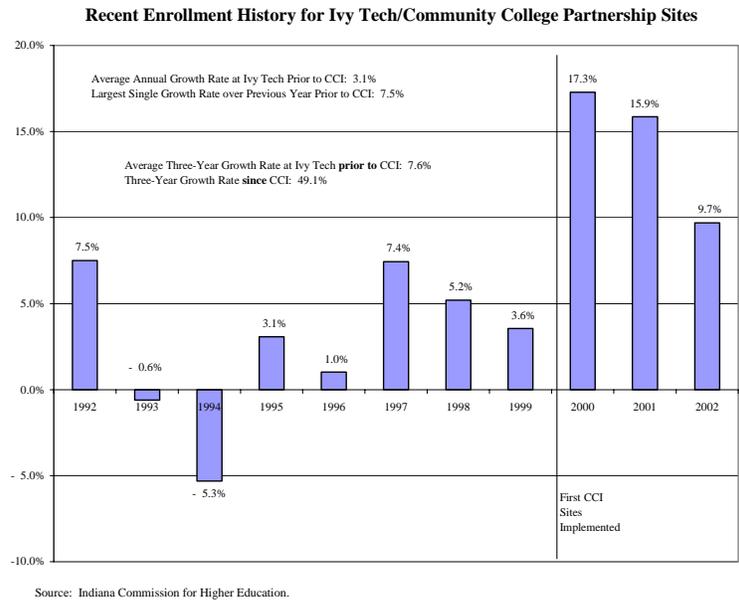
Participation of Adults (Age 25 and Over) in Postsecondary Education for Indiana and Selected States



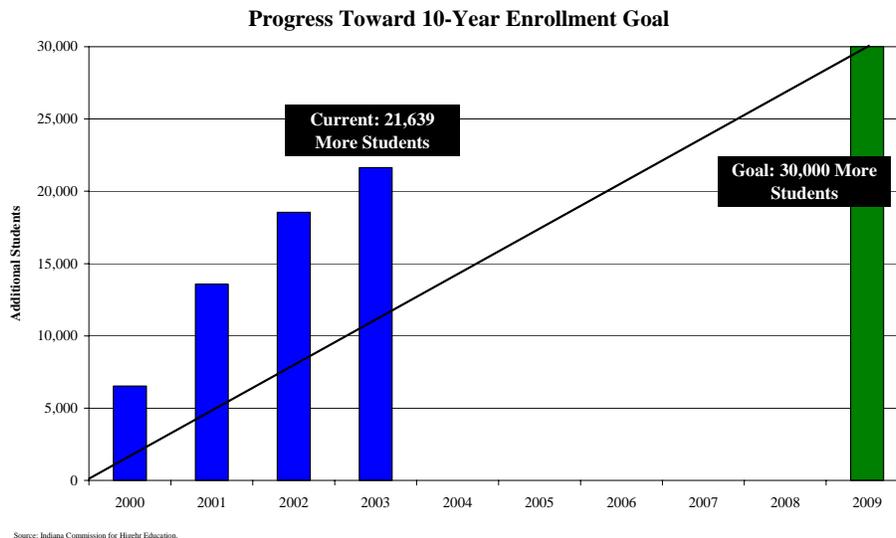
Source: U.S. Census Bureau, Decennial Census, 2000.

In an effort to expand educational access and opportunities to the state's adult population, Governor Frank O'Bannon, with the support of the Indiana General Assembly, announced a community college

partnership between Ivy Tech State College and Vincennes University in 1999. Since its beginning in the fall 2000 semester, the partnership has produced impressive results with unprecedented enrollment growth of 49% over three years. Further growth is predicted as the community college partnership expands to all 23 Ivy Tech campuses.

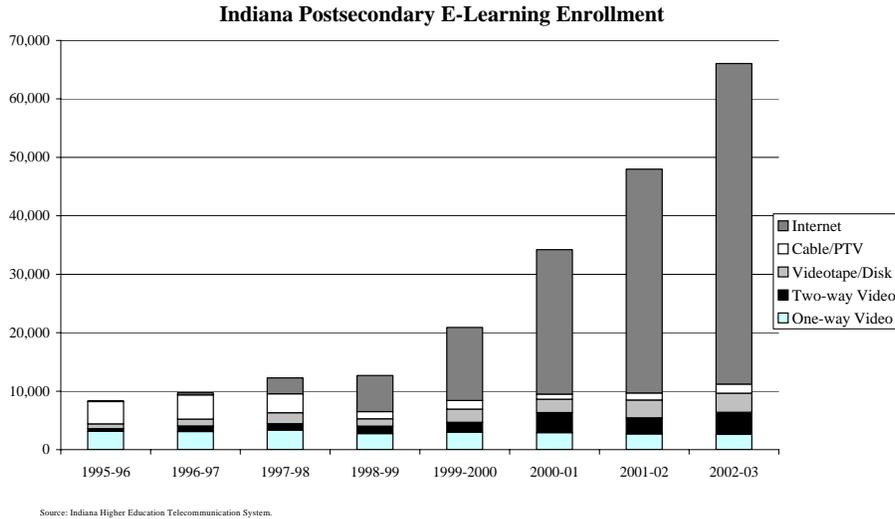


As the community college expands, the role and significance of the regional campuses with regards to adults will not diminish. Indeed, program articulation between these institutional groups should expand and enhance opportunities for adults by ensuring a broad range of transfer opportunities and baccalaureate degree completion. There are also opportunities for collaboration between community college partners and four-year institutions in offering training programs for adults targeted to local needs that draw on the full range of educational resources.



Indiana also has supported access to postsecondary opportunities for adults through technology delivered programs, with significant results over the past ten years. In the early 1990's, there were a dozen degree programs available at a distance. Today, 70 degree programs are available statewide at all levels of study from associate to doctoral in addition to 60 certificate and endorsement programs. Over the past four

years, course enrollments have increased by an average of 50% per year. The overwhelming majority of students taking advantage of these e-learning opportunities are working adults.



In the current context of global competition and economic recovery, the state’s economic vitality significantly depends on the number of trained and skilled workers available to its business and industry. As more and more jobs require some form of higher education and continued skill renewal, Indiana’s higher education system must be able to meet such growing needs particularly through offerings that are flexible and attainable by a working adult population. This development will be essential as Hoosiers currently working continue to be displaced by the decrease in manufacturing employment and need to upgrade their knowledge and skill base to secure a high-wage job.

Next Steps – Participation

Indiana must increase college participation to ensure that all of its citizens have the opportunity to benefit from higher education and develop to their fullest potential.

- 1) Increase the participation and success of adult students and recent high school graduates, with a particular focus on minority students, first generation students, and economically disadvantaged students, and a preliminary goal of reaching participation rates reflective of the state’s population.
 - Expand the community college partnership to all 23 Ivy Tech State College campuses.
 - Report demographic data on student enrollment annually.
 - Provide an annual report on the progress toward reaching the preliminary targets.
 - Support/expand the 21st Century Scholars program targeting low-income middle school students.
 - Support programs that target underrepresented populations in higher education (i.e., Purdue University’s Science Bound program).
 - Support efforts that target rural populations (i.e., South Central Indiana Education Association, College Cooperative Southeast, and other state-recognized learning centers).
 - Support creation of a digital learning space across the full learning lifecycle from preschool through adult continuing education.
 - Maintain full funding of enrollment change funding adjustment.

- 2) Enhance existing and create new opportunities and processes that facilitate easy and efficient access to higher education.
 - Implement an electronic high school transcript to facilitate the transfer of student information between high schools and Indiana colleges.
 - Explore additional reciprocity relationships with bordering states (in addition to Kentucky).
 - Work with the colleges and universities to find effective and efficient ways to expand delivery of instruction to adults, especially in workplace settings and especially through electronic means.
 - Recognize non-credit and continuing education programs as important components of adult education, especially in regard to economic development and increasing adult literacy.

- 3) Structure enrollment growth in a manner that is efficient and effective.
 - Continue to classify Indiana University – Bloomington, Purdue University – West Lafayette, Ball State University¹, and Indiana State University as “stable” campuses.
 - Expect future enrollment growth to occur primarily at community college partners Ivy Tech State College and Vincennes University, the Indiana University and Purdue University regional campuses, IUPUI, and the University of Southern Indiana.
 - Enhance or develop formal “passport” programs at all four-year institutions (An effective model is IUPUI’s Passport Program in which students seeking admission to IUPUI, but not meeting the admission criteria, are referred to the Indiana community college campus. The student is provided with a prescriptive list of courses and achievement levels that must be accomplished prior to acceptance at the four-year college).
 - Improve referral processes from selective admission institutions to open admission institutions for students who seek a residential experience but do not meet the admission criteria.

Institutional Performance Indicators – Participation

- Number and percentage of students aged 18 to 24 enrolled for credit.
- Number and percentage of students aged 25 and older enrolled for credit (undergraduate and graduate).
- Percentage of students enrolled by race and compared to statewide racial percentages.
- Number and percentage of students who transfer from a two-year campus to a four-year campus.
- Number of 21st Century Scholars enrolled for credit.

¹ In the 1991-94 period, Ball State University’s enrollment was level, and the institution fit the “stable campus” model. With the institution’s strategic direction to strengthen admission criteria, enrollment dropped significantly with the university anticipating a 4-8 year process of restoring the previous enrollment level. Under existing policy, Ball State will be funded as if it were a “Changing Campus” until in-state enrollment reaches 17,500 on-campus annual FTE students.

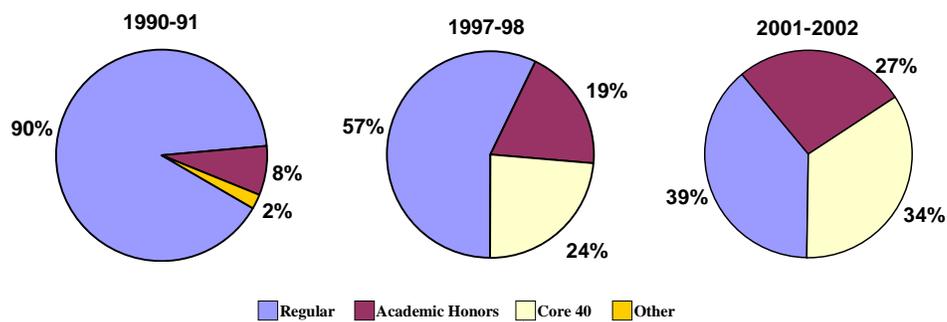
GOAL 2: IMPROVE STUDENT PREPARATION

Overview - Preparation

In concert with efforts to improve access, the state has focused on increasing K-12 student academic preparation as a solid foundation toward a student's future success in higher education and the workplace. Research has revealed that a rigorous academic curriculum is the single most significant factor in determining a student's success in college.² In fact, research indicates that rigorous course-taking in high school can overcome a variety of determining factors and socio-economic circumstances, including poverty and level of parental education.

A significant step forward in raising academic expectations occurred in 1994 when representatives from K-12, business, and higher education joined forces to support the Core 40 curriculum. Since its implementation, the number of students completing Core 40 has steadily increased, with 61 percent of the Class of 2002 now earning a Core 40 or Academic Honors diploma.

Percent of Indiana High School Graduates by Diploma Type



Source: Indiana Department of Education.

Building on this work, Indiana's Education Roundtable has focused on initiatives to improve K-12 student academic achievement by raising Indiana's academic standards to be among the best in the nation, implementing a rigorous system to measure student performance against the standards, and adopting a new system for holding school's accountable for continuous improvement.

Indiana also has financially supported the offering and expansion of rigorous high school courses through Advanced Placement and dual credit opportunities. This support allows students to earn college credit while in high school. These courses not only count towards the student's high school diploma, but also provide an opportunity to get a "jump-start" on a college degree. Indiana's colleges and universities can further expand the availability of such opportunities to students by delivering more courses to high schools via technology.

For Indiana's K-12 educational reform efforts to achieve full success, Indiana's higher education system will need to clearly communicate the expectations and academic preparation required to be successful in college. Students taking a rigorous high school curriculum (i.e., Core 40 and Academic Honors) attend, persist, and graduate college at significantly higher rates than students without this preparation.

² Horn and Nunez (2000), Mapping the Road to College: First-generation Students' Math Track, Planning Strategies and the Context of Support (NCES 2000-153). In Choy, S.P. (2002) Access & Persistence: Findings from 10 Years of Longitudinal Research on Students. American Council on education, Center for Policy Analysis.

Additionally, the state's colleges and universities produce the majority of the state's K-12 teachers. Not only should the teacher preparation programs prepare future teachers for the higher standards that will continue to be put into place in Indiana's classrooms, but they also should provide support and professional development to those teachers who are currently in the classroom and need additional training.

Next Steps – Preparation

Indiana's higher education system must further its involvement in enhancing collegiate preparation to ensure that all students enter college with a solid academic foundation necessary for success.

- 1) Support and be directly involved in the state's efforts to reform K-12 education curriculum and processes.
 - Provide current Indiana K-12 teachers with targeted resources and professional development to ensure high quality instruction.
 - Recommend continued funding and new funding of academic programs that directly support new statewide K-12 reform efforts and are targeted at teacher preparation in high need areas.
 - Integrate Indiana's Academic Standards into teacher preparation programs.
 - Continue the involvement of higher education in the development of End of Course Assessments to ensure alignment to college placement exams, ensure students are ready for credit bearing college coursework without remediation, and increase the opportunity of replacing existing college placement exams with a statewide assessment.
 - Develop a process in which colleges report back to respective high schools regarding college success indicators, including periodic discussions between the colleges and universities and high schools regarding curricular alignment.
 - Incorporate college success indicators into the Indiana Department of Education's Annual State Report Card.

- 2) Align college/university admission standards and remediation policies with Indiana's proposed high school graduation requirements that define Core 40 as the required high school curriculum (with a formal opt-out provision) and to support students based on their needs and levels of preparation.
 - Expect the state's campuses with "stable" enrollments to set completion of the Core 40 curriculum as a minimum admission requirement for Indiana high school students, while strongly encouraging and giving preference to the completion of an Academic Honors Diploma.
 - Expect the state's four-year campuses with growing enrollments to be poised to move towards requiring the Core 40 curriculum as a minimum admission requirement with strong encouragement of Academic Honors Diploma completion.
 - Expand opportunities for dual enrollment credit courses in high school.
 - Expect community college partners Ivy Tech State College and Vincennes University to maintain their open door admission policies, but require a high school diploma or equivalent for Indiana high school students and strongly encourage students to complete the Core 40 curriculum as the best way to ensure collegiate success.
 - Expect all colleges to promote and support the Core 40 curriculum in college catalogues, publications, and information provided to prospective students.
 - Expect the community college partners to be the predominant source of pre-college remediation.

- Monitor the participation rates of minority students, first-generation students, and economically disadvantaged students to ensure equal opportunity for qualified applicants is held in the highest regard.

Institutional Performance Indicators – Preparation

- SAT (25th and 75th percentile) of entering class—Hoosier and all.
- Percentage of entering Hoosier students who completed a Core 40 or Academic Honors Diploma.
- Number and percentage of entering students in top 10%, 25%, and 50% of their high school class.
- Number of entering students who have earned dual enrollment credit.
- Number of remedial sections and total enrollment (duplicated headcount).
- Number and percentage of students taking and scoring well (3+) on Advanced Placement exams, and granted credit toward their college degree.

GOAL 3: ENSURE AFFORDABILITY

Overview - Affordability

Educational opportunities must be affordable as well as accessible. The state has been committed to reducing financial barriers for attendance at college with a particular focus on underrepresented populations and need-based aid. These efforts have been broad based to allow students the choice of attending public or independent colleges and universities in Indiana.

Nevertheless, due to the recent recession, state funding for higher education has not grown in real terms. Faced with continuing increases in their own costs as well as appropriation shortfalls, Indiana's public four-year and two-year postsecondary institutions have raised tuition and fees, resulting in double digit percentage increases. The tuition increases have been particularly dramatic for first-time entry undergraduate freshman students.

**Indiana Public Institution First-Time Entry (Freshman) Hoosier Undergraduate
Tuition and Mandatory Fees Effective Fall 2003**

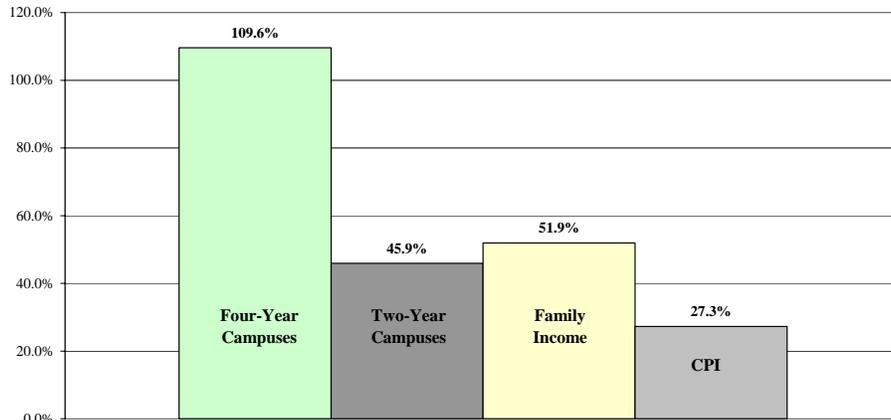
	Tuition and Mandatory Fees				Percentage Increases		
	1993-94	2001-02	2002-03	2003-04	1-Year	2-Year	10-Year
INDIANA UNIVERSITY							
Bloomington Univ. Div.	3,124	4,784	5,365	6,567	22.4%	37.3%	110.2%
East	2,310	3,415	3,789	4,432	17.0%	29.8%	91.9%
Kokomo	2,304	3,421	3,824	4,463	16.7%	30.5%	93.7%
Northwest	2,310	3,447	3,895	4,537	16.5%	31.6%	96.4%
South Bend	2,380	3,515	3,930	4,571	16.3%	30.0%	92.0%
Southeast	2,287	3,459	3,865	4,504	16.5%	30.2%	96.9%
IUPUI	2,784	4,171	4,714	5,703	21.0%	36.7%	104.8%
PURDUE UNIVERSITY							
West Lafayette							
Engineering Majors (17%)	2,696	4,608	6,068	6,372	5.0%	38.3%	136.4%
Management Majors (6%)	2,696	4,164	5,580	6,660	19.4%	59.9%	147.0%
Other Majors (77%)	2,696	4,164	5,580	5,860	5.0%	40.7%	117.4%
PUWL Weighted Average	2,696	4,239	5,663	5,995	5.9%	41.4%	122.4%
Calumet	2,290	3,568	4,393	4,611	5.0%	29.2%	101.3%
North Central	2,272	3,590	4,487	4,712	5.0%	31.2%	107.4%
IUPU Ft. Wayne	2,310	3,959	4,865	5,108	5.0%	29.0%	121.1%
Indiana State University	2,622	3,794	4,216	5,422	28.6%	42.9%	106.8%
Univ. of Southern Indiana	2,060	3,143	3,525	3,885	10.2%	23.6%	88.6%
Ball State University	2,656	4,099	4,720	5,950	26.1%	45.2%	124.0%
Vincennes University	2,055	2,601	2,957	3,161	6.9%	21.5%	53.8%
Ivy Tech State College	1,613	1,986	2,264	2,378	5.0%	19.7%	47.4%
Weighted Averages (2001-02 FTE)							
All Institutions	2,467	3,392	3,972	4,527	14.0%	33.5%	83.5%
Four-Year Institutions Only	2,648	4,051	4,778	5,550	16.2%	37.0%	109.6%
Two-Year Institutions Only	1,730	2,101	2,394	2,524	5.4%	20.1%	45.9%

*Weighted averages computed using 2001-02 first-time entry resident and reciprocity undergraduate annual FTE enrollment.

Although financial aid and family income levels have grown over the past decade, college costs have increased nearly three times the rate of inflation. Families today, compared to those 20 years ago, must devote a larger share of their income to pay for higher education and are increasingly shouldering higher levels of debt. Nearly two-thirds of students borrow money to finance their education. In addition to taking out larger loans, students are working more (approximately 80% of all undergraduates work while

attending school, and 26% of all full-time undergraduate students do so)³ and therefore taking longer to graduate.

**Change in Indiana First-Time Entry (Freshman) Undergraduate Tuition, Indiana Family Income, and CPI
1993-94 to 2003-04**



Source: Tuition from Indiana Commission for Higher Education. Median income for family of four from US Census Bureau. CPI from Bureau of Labor Statistics.

If Indiana is to maintain steady enrollment increases and increase the knowledge and skill base of its future talent pipeline, the state will need to ensure that higher education opportunities are affordable for all Hoosiers. This will require deliberate and focused attention to the development of a coordinated policy that includes expectations regarding tuition and fees along with state financial aid and direct state support of institutions.

Next Steps – Affordability

It is now more important than ever to keep higher education affordable and accessible for all Hoosiers. Indiana has benefited significantly from two underlying budgetary principles: 1) stability in state appropriations over time, and 2) considerable expenditure flexibility. These principles have been operational relative to the public’s trust in the board of trustees of each state college and university in setting undergraduate in-state tuition and fees at reasonable rates. While recognizing that state appropriations and student financial aid play a large part in setting tuition and fee policy, it is still incumbent that the state’s colleges and universities have tuition increases that are consistent over time with Hoosiers’ ability to pay. Recognizing the shared responsibility of the state, the institution, and the students, the state must work with its colleges and universities to adopt a coherent student assistance and institutional funding policy that can be sustained over an extended period of time. This policy should be coordinated with expectations regarding undergraduate resident tuition and fees set by the board of trustees of each respective institution as well as allow the state to improve quality, not merely maintain the current status, as a part of the vision to develop and maintain one of the nation’s most effective systems of public postsecondary education. Such coordinated efforts will provide a comprehensive rationale and understanding for recommendations made to the Indiana General Assembly for the biennial budget requests.

- 1) Adopt a long-range policy for providing need-based assistance to academically prepared students reflecting the financial needs of those in different sectors of higher education.

³ U.S. Department of Education, National Center for Education Statistics. *National Postsecondary Student Aid Study: 1999-2000.*

- 2) Provide institutional funding for state universities at levels that will allow for increasing quality without incurring significant increases in undergraduate resident tuition and fees.

The following action items apply to both objectives:

- Undergraduate resident tuition and fees should grow no faster than growth in family income (Indiana non-farm personal disposable income).
- State financial aid should be adequate to cover remaining need for all academically prepared undergraduate resident students at any public campus.
- Need-based state financial aid programs should reward undergraduate resident students based on their level of preparation for college to maximize the potential for college degree completion. (Endorse Core 40 and Academic Honors as the best preparation for success by providing incentives for persistence and completion and disincentives for dropping out – would apply to students enrolling in the state’s four-year institutions, and would not apply to students enrolling at the state’s two-year institutions).
- State funding should be provided so that resident tuition and fees for the two-year sector can be frozen until they are at the national average.
- State appropriations should cover the majority of the cost of resident instruction.

Institutional Performance Indicators – Affordability

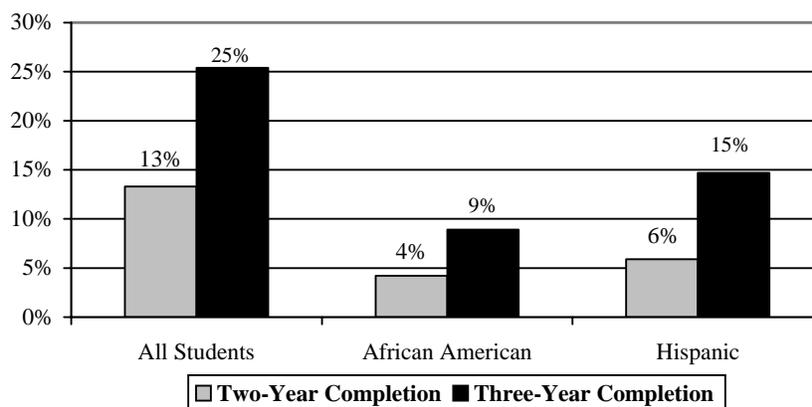
- Percent of median family income needed to pay undergraduate resident tuition and fees (net of state and institutional grant aid).
- Institutional grant aid to resident undergraduates distinguishing need-based from merit-based.
- Increase in undergraduate resident tuition and fees compared to change in family income (Indiana non-farm personal disposable income) and change in the Consumer Price Index (CPI) and Higher Education Price Index (HEPI).
- Resident student share of cost of instruction.
- Pell recipients as a percentage of resident undergraduates.

GOAL 4: INCREASE STUDENT SUCCESS & DEGREE COMPLETION

Overview – Student Success & Degree Completion

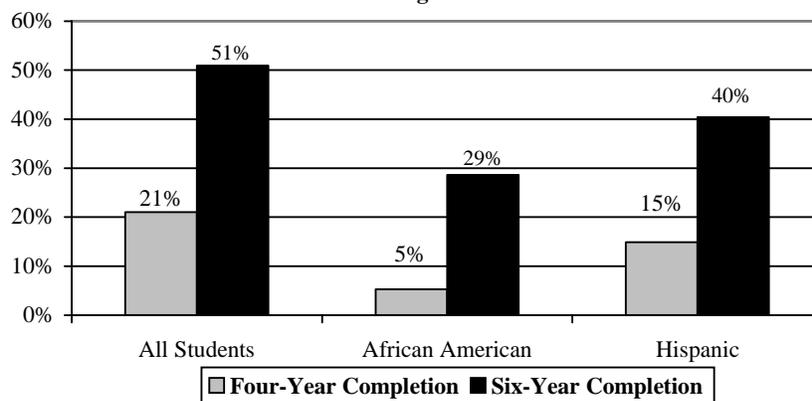
Currently, less than half of students seeking a baccalaureate degree and less than a third of students seeking an associate degree complete their degrees. This represents students who complete their degrees at the institution where they began and students who transferred to a different campus. When disaggregated by race, degree completion rates are even more daunting. Recognizing the problem, the state and the higher education community have focused efforts to maximize a student's ability to persist and complete a postsecondary degree program.

Two and Three Year Degree Completion Rates for Full-time, Associate Degree-Seeking Students in Indiana by Race and Degree



Source: Indiana Commission for Higher Education, Report on Degree Completion and Persistence in Indiana Public Postsecondary Education, 1990 Entering Freshmen: Biennial Report to the General Assembly, August 28, 1997.

Four and Six Year Degree Completion Rates for Full-time, Baccalaureate Degree-Seeking Students in Indiana by Race and Degree



Source: Indiana Commission for Higher Education, Report on Degree Completion and Persistence in Indiana Public Postsecondary Education, 1990 Entering Freshmen: Biennial Report to the General Assembly, August 28, 1997.

Properly the emphasis must be on degree completion. However, the state recognizes the need for a growing range of ways of signifying achievement and mastery. Graduate and undergraduate certificates have filled an important niche, and the campuses should have the flexibility to create a variety of credit, non-credit, and combined credit/non-credit programs to meet workforce, economic, or cultural needs.

Some certificates may be customized to meet a specific, one-time local need, while others may become regular offerings.

For the last fifteen years, the Indiana General Assembly (through legislation, resolutions, and hearings) has encouraged the transfer and articulation of courses between Indiana's colleges and universities. In April 2000, the Commission for Higher Education launched the Transfer Indiana initiative, which included the creation of the Statewide Transfer and Articulation Committee (STAC).

During its first year of operation, STAC successfully completed work to articulate the Vincennes University Associate of Arts (A.A.) and Associate of Science (A.S.) degree programs offered at the community college partnership sites with the public four-year institutions on a statewide basis and is currently developing statewide transfer course equivalencies for the 42 most frequently taken undergraduate courses.

While solid transfer and articulation opportunities provide a means to improve degree completion for a segment of Hoosier students, more efforts must be focused on improving graduation rates. The state has focused a great deal of time and effort toward ensuring that access and opportunity to higher education is available to all Hoosiers. If the state is to receive the maximum benefit of its investment, it is imperative that the state also provides the same level of intense focus to ensuring that students realize their goals.

Next Steps – Student Success & Degree Completion

Failure of students to complete college degrees wastes state and student resources and leaves Hoosiers with fewer skills and less opportunities. Increasing student persistence and degree completion benefits students and the state.

- 1) Develop a comprehensive policy focused on enhancing student persistence and completion toward a certificate or a degree in a timely manner.
 - Seek progress reports from postsecondary institutions regarding current efforts to enhance student persistence as a means of identifying best practices.
 - Identify appropriate strategies for improving time to degree for college students.
 - Provide incentives for course, certificate, and degree completion, especially for low income and minority students.
- 2) Increase statewide transferability of academic credit in keeping with the intent of House Bill 1209 and informing the availability of these options to students.
 - Develop statewide transfer-of-credit agreements for those courses representing subjects most frequently taken by undergraduates (the goal is at least 80 courses).
 - Develop statewide agreements whereby Associate of Arts and Associate of Science programs will articulate fully with related baccalaureate degree programs.
 - Publicize by all appropriate means, including an electronic website, a master list of course transfer-of-credit and program articulation agreements.
- 3) Complement the approach of tracking persistence patterns at specific campuses with an approach that would track students regardless of where they begin and complete their degrees.

- 4) Identify appropriate goals, which demonstrate student achievement, but are short of degree completion.

Institutional Performance Indicators – Student Success & Degree Completion

- Percentage of freshman who return for their sophomore year, or who transfer to another institution--all and by race.
- Four-year and six-year graduation rates for 4-yr institutions; two-year and three-year graduation rates/certificate completion rates for 2-yr institutions—all and by race. (Also ten-year graduation rates for part-time, bachelor's degree students at Indiana's regional campuses, and six-year graduation rates for associate degree students at Indiana's two-year institutions).
- Number of undergraduate degrees awarded annually divided by the rolling average of incoming degree-seeking freshman.

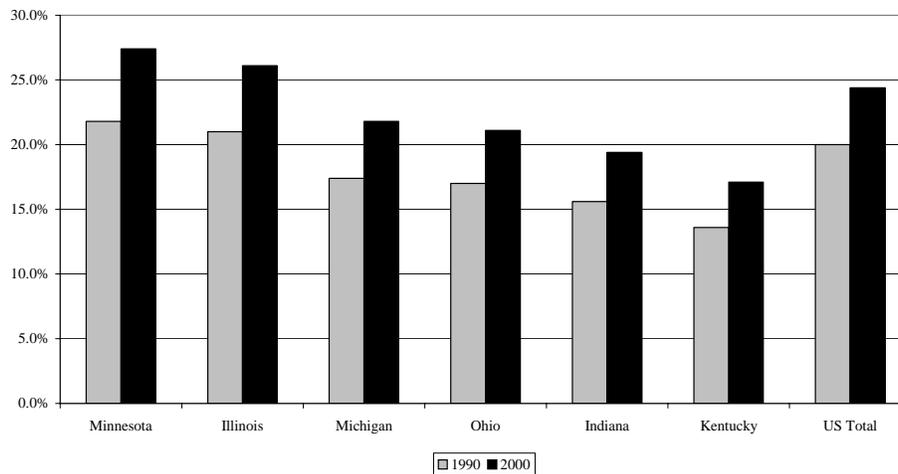
GOAL 5: ASSIST IN RESEARCH AND ECONOMIC DEVELOPMENT

Overview – Research and Economic Development

Higher education in Indiana is experiencing great challenges with the recent economic difficulties and statewide budget constraints. However, the public's expectations and needs for higher education continue to grow as colleges are asked to serve more students, meet workforce demands, spur economic development, expand research capacities, and contribute to the quality of the social and cultural lives of Indiana residents. Moreover, higher education will continue to become ever more critical to the state's economic future as the transition from a manufacturing base economy to a knowledge base economy continues to progress. With such challenges, it is imperative that the state utilizes its resources in an efficient manner that encourages productivity but does not impair quality.

Brain Drain. Although Indiana's colleges perform well in relation to other states on the number of degrees awarded each year, many of these graduates continue an ongoing trend of migrating out of the state following graduation. Correspondingly, Indiana does not fair well when comparing the states in terms of the educational attainment of its populace. This low educational attainment has a direct impact on the economic development of the state.

Population Aged 25 and Over with Bachelor's Degree or Higher
for Indiana and Peer States



Source: U.S. Census Bureau.

Technology Transfer. In recent years, institutions have become more intentional and more effective in technology transfer and in developing intellectual property into products and services that positively enhance economic opportunity. State support for research has played an important role in moving ideas from concept to practice and the state's role in using intellectual capital to create new businesses or to expand existing businesses must become a higher priority for policy development and funding.

The state has supported a variety of initiatives and degree programs to improve and diversify Indiana's economic base through a stronger economic development role for higher education (i.e., Workforce Certification Centers, Indiana 21st Century Research & Technology, and the Research Support Adjustment). Higher education's assistance to the state in sustaining strong economic growth will come in a variety of ways.

Through basic and applied research activities, Indiana's campuses contribute to the state economy in significant ways. While the direct impact of research on economic development is important, there are

other, longer-term and more consequential reasons to support research. First, research provides opportunities for engaged student learning (undergraduate as well as graduate) in such forms as internships and hands-on laboratory experience, engaging students and fostering qualities of innovation and even entrepreneurship. Moreover, research products may lead to product development and technology or knowledge transfer that translate into new industries. If Indiana is to grow and renew its economic base, it must draw from new knowledge and new applications. Indiana's universities provide a very strong foundation for future economic development, spending nearly \$250 million in federal research and development expenditures in FY2001 and ranking Indiana 39th nationally in terms of federal dollars per capita.

To ensure a strong future for Indiana, the state must continue to fund and expand 21st Century Research and Technology fund and the Research Support Adjustment. Other competitive states have made larger investments over a longer period in their respective research infrastructures. Indiana must catch up by encouraging support through these two existing strategies and by exploring new programs to expand research facilities and to support their operation. Additionally, Indiana's colleges and universities should expand applied research activities, particularly efforts that are directly linked to regional and state needs.

Apprenticeship Programs. The objectives of apprenticeship programs are to combine formal education and practical experiential learning to train individuals in the particular crafts and to provide a basis for lifelong learning and skill development. In support of expanding apprenticeship programs to meet the statewide needs of Indiana, model frameworks were developed for the statewide delivery of such training by Ivy Tech State College.⁴ Training has been provided to more than 5,500 students.

Master's Degrees. There is a growing recognition of the value of "terminal" or "applied" master's degrees in the arts and sciences disciplines. These degrees may play a critical role in addressing regional economic or workforce needs. In many cases existing degrees can be readily adapted to meet such specific needs. While no policy change is needed, the state should facilitate the timely approval of such degrees when there is a compelling case based on local need.

Next Steps – Research and Economic Development

Indiana's higher education system can and should be a leading partner in sustaining a secure economic future for the state. The state must set clear funding incentives that encourage higher education to expand contributions to the economic development of the state, particularly in research and development. This includes providing the state with a prepared and educated workforce, a workforce that will need continuous education and training in order to meet the needs of the changing economy, and it also includes both basic and applied research that leads to innovation, discovery, and development. Indiana also must be strategically flexible in developing and providing employer-specific training programs as a means of recruiting and growing new business and industry across the state.

- 1) Reverse the "brain drain" trend of college graduates leaving the state.
 - Work with higher education to expand, enhance, and incorporate internship experiences and career exploration opportunities with Indiana employers into academic programs.
 - Develop annual reporting of the state's college graduates who stay and are employed in Indiana.

⁴ *Statewide Model for Technical Certificate and Associate of Applied Science Apprenticeship Technology Degree Programs at Indiana Vocational Technical College*, dated June 10, 1993 and *Ivy Tech State College Industrial Apprenticeship Technology Programs: Key Academic Understandings*, August 3, 1999. (Note: The name "Indiana Vocational Technical College" was changed to "Ivy Tech State College.")

- 2) Develop new programs and expand existing programs, which target specific economic areas important to the state and local communities.
 - Recommend new funding and continued funding of academic programs targeted at such areas.
 - Explore implementation of a “fast track” degree review process to ensure that degrees relevant and timely to economic development needs can be reviewed within 60 days of submission.
- 3) Offer adult and continuing education in noncredit and credit formats when there can be verifiable (even third party) certification of learning.
 - Develop measures for counting and reporting noncredit enrollments (targeted at upgrading the skills of the workforce or specific business and industry needs) in a standard and consistent manner and specific incentives to encourage strategic program development.
- 4) Support basic and applied research at the doctoral universities.
 - Sustain the research support adjustment, which increases state support in proportion to increases in external support from grants and contracts.
- 5) Support applied research activities for all campuses that contribute to economic development and growth throughout the state.
 - Develop measures for identifying the impact of applied research activities.
- 6) Capitalize on the state’s role in using intellectual capital to create new businesses or to expand existing businesses

Institutional Performance Indicators – Research and Economic Development

- Total federal research and development expenditures.
- Total sponsored program expenditures.
- Number and percentage of graduates remaining in Indiana one year and five years after graduation.

GOAL 6: MEASURE STUDENT LEARNING

Overview – Student Learning

At the national level, there is growing emphasis on improving undergraduate teaching to promote student learning. Several Indiana colleges and universities have established themselves as leaders in this area, but more work remains to be done. There is also a growing focus on determining the degree to which students' knowledge and skills improve as a result of their education and training beyond high school. To date, a universal approach to measuring such learning does not exist nor has there been a state-level discussion on the topic.

Indiana should promote statewide discussion on ways to measure student learning as part of efforts to refine its system of education and to improve teaching and learning. As Indiana continues to refine its system of education, and as future national report cards (*Measuring Up*) include measures on student learning, the state should consider a variety of means of determining how well its students are doing benchmarked with both peers and national norms. There are no widely accepted and tested measures of student learning in current use, but Indiana should be a pioneer in the development and assessment of measures of student learning. The discussion should consider a number of potential approaches, ranging from innovative electronic student portfolios (e-portfolios) used by a group of campuses on a purely voluntary, pilot basis to currently available indirect measures of student learning, to measures uniquely selected or developed by each campus.

E-portfolios would contain authentic samples of a student's work and would, among other things, demonstrate the competencies and skills the student has learned with more clarity and to a greater depth than other existing approaches. If campuses elected to use electronic portfolios, they could even be started in high school and carried forward seamlessly for use at the postsecondary level. Such an approach might provide potential links to other technology-based P-16 initiatives that hold promise.

Indirect measures of student learning might include the widely used National Survey of Student Engagement (NSSE) or the increasingly used Community College Survey of Student Engagement (CCSSE). If campuses elected to use NSSE or CCSSE, they would have the opportunity to place their own results on the survey within the context of results from other campuses throughout the nation.

Next Steps – Student Learning

- 1) To engage each campus in reporting measures of student learning.
 - To encourage several campuses to volunteer to participate in pilot projects involving one or more methodologies for measuring student learning, for example, e-portfolios.
 - To have each campus select a set of measures of student learning.
 - To have each campus report data on the measures of student learning it has selected.

Institutional Performance Indicators – Student Learning

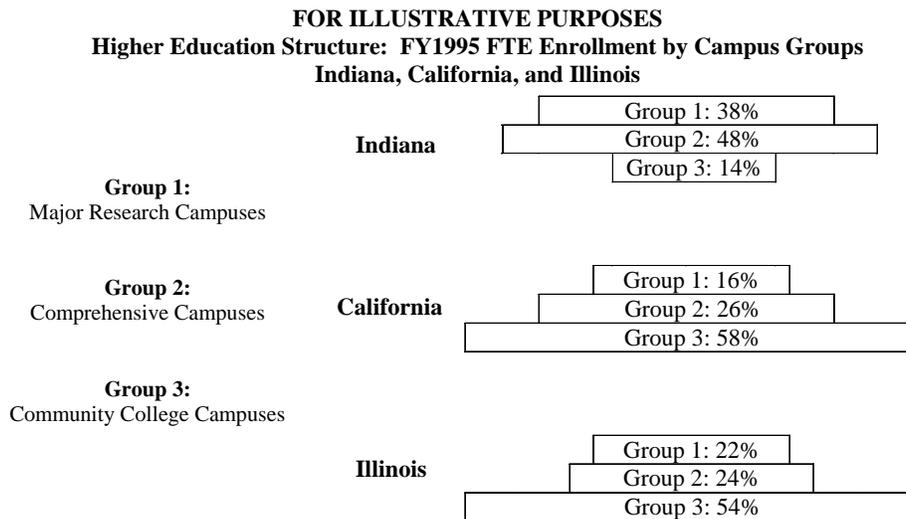
- To be determined by each campus.

ALIGNING INDIANA’S SYSTEM OF HIGHER EDUCATION

Overview – System Structure

The majority of Indiana’s college students are educated in doctorate-granting institutions, which are generally the most expensive sector of any state system. Indeed, many of these students are educated in Indiana’s two major research institutions. This is in sharp contrast to most other states in which undergraduate education occurs primarily in institutions focused either on baccalaureate or associate degree programs. The systems developed in most states reflect the dominant “pyramid” pattern that enrolls most students in a community college system at the base, students attending campuses that focus on baccalaureate and masters degree programs in the middle, and undergraduates attending research universities representing the tip. States with pyramid structures benefit from significantly increased levels of participation at the least cost per student. A pyramid structure also allows states to widely educate broad numbers of students and at the same time have the best public research universities in the nation.

Indiana’s public higher education system historically has resembled an “inverted pyramid,” reflecting the proportionately smaller enrollment in “group three” institutions. As the community college partnership enrolls more students – students who would not otherwise have enrollment in postsecondary institutions – Indiana’s pyramid will begin to look more like those of California and Illinois. While it is not the intent to restructure Indiana’s higher education system as a “pyramid,” it is important to understand the current context as a means of encouraging further enrollment growth at Indiana’s community college and regional campuses.



Source: National Center for Education Statistics.

The state has worked with its colleges and universities to better align the higher education system to serve students in efficient and financially beneficial ways by:

- Developing and expanding the community college partnership, which provides the opportunity to:
 - Expand associate degree programs at the two-year campuses
 - Institute a tuition freeze at the two-year campuses
 - Increase transfer opportunities between the two-year campuses and the four-year campuses
- Implementing the Regional Campus Agreement, which has provided the opportunity to:

- Coordinate the offering of associate degrees at the two-year institutions
 - Reduce remedial education
 - Expand regional campuses baccalaureate and master degree programs that are connected to community needs
 - Develop limited, affordable housing
- Encouraging referral programs between the two-year and four-year institutions
 - Increasing transfer and articulation opportunities among colleges and universities to ensure student success across institutions
 - Encouraging colleges and universities to align offerings with community needs and student demand while ensuring the necessary base infrastructure for baccalaureate education
 - Recommending that the colleges and universities review programs with few graduates in their respective program inventories
 - Developing and recommending implementation of the Research Support Adjustment
 - Encouraging future enrollment growth for the “changing” campuses at all the regional campuses of Indiana University and Purdue University, IUPUI, Ivy Tech State College, University of Southern Indiana, and Vincennes University through funding of the enrollment change adjustment.
 - Encouraging stable enrollments at Ball State University, Indiana State University, Purdue University West Lafayette, and Indiana University Bloomington

A comparison of the dominant structure of higher education in other states with Indiana’s emerging system offers an opportunity to conceive a new model, one more finely tuned to the future needs of the state and world. Although the system structure may never resemble a true pyramid, the system should be developed in a manner that differentiates roles based on institutional strengths.

Defining Characteristics of the System

Through both current policies and those policy directions proposed within this document, Indiana’s higher education system must be aligned for maximum benefit. Decades of experience and research drawn from across the nation can help Indiana develop a new model that preserves the most successful aspects of its existing structure while integrating the community college partnership, revising financial aid policies, providing for life-long learning, and using rapidly expanding capacities for distance learning. The Indiana Commission for Higher Education can facilitate collaboration and common purpose among institutions of higher education and between higher education and secondary schools. Guided by the current policies and the goals and objectives of this framework, the emphasis on realigning Indiana’s higher education system can be viewed through the following defining characteristics.

DEGREE PROGRAM OFFERINGS

Associate

The state expects that the predominant source of associate degree programs will be Ivy Tech State College and Vincennes University. Ball State University, Indiana State University, University of Southern Indiana, the regional campuses of Indiana University and Purdue University, and IUPUI should only offer new associate degree programs by exception, when clear and convincing evidence is presented that there is a regional need for the new degree in a particular field that cannot be effectively or efficiently addressed by Ivy Tech State College and/or Vincennes University.

Baccalaureate

Ball State University, Indiana State University, Indiana University – Bloomington, and Purdue University – West Lafayette are expected to expand their already extensive baccalaureate degree program offerings. The University of Southern Indiana, IUPUI, and the regional campuses of Indiana University and Purdue University are expected to expand their respective baccalaureate degree program offerings.

Masters

Ball State University, Indiana State University, Indiana University – Bloomington, and Purdue University – West Lafayette are expected to expand their already extensive master’s degree program offerings. University of Southern Indiana, IUPUI, and the regional campuses of Indiana University and Purdue University are expected to provide and expand their respective masters degree program offerings to support regional needs.

Doctoral and Professional

Indiana University – Bloomington, Purdue University – West Lafayette, and primarily the health science components on the IUPUI campus are expected to expand their already extensive doctoral and professional degree program offerings. Ball State University and Indiana State University offer a focused number of doctoral and professional degrees and may expand their offerings, particularly in areas that address specific state needs.

DISTANCE EDUCATION PROGRAMS

With the technological advances that continue to take place, colleges and universities have the ability to expand opportunities and reach new student markets through distance education technology. All Indiana campuses can use distance education technology to deliver courses and degree programs as outlined in the Commission’s *Policy for Delivering Degree Programs through Distance Education Technology* dated March 5, 1998.

RESEARCH

Major Research Facilities

In order to best leverage the state’s limited resources and its historic investment, the state’s major research facilities will be located at Indiana University – Bloomington, Purdue University – West Lafayette, and IUPUI’s health science components.

Sponsored Research Support Adjustment

In recognition of the highly competitive national environment in which they compete for sponsored research and development funding, the state expects that the sponsored research support adjustment will continue to be applied to Ball State University, Indiana State University, Indiana University – Bloomington, Purdue University – West Lafayette, and IUPUI.

Applied Research Projects and Activities

The state expects that all four-year campuses will be involved in applied research projects and activities that support local and regional economic development and address the needs of business and industry.

BUSINESS AND INDUSTRY TRAINING/WORKFORCE CERTIFICATION

Although there is a general expectation that all campuses should be involved in assisting local business and industry, the state has sent a strong expectation that Ivy Tech State College and Vincennes University be extensively involved in meeting business and industry training needs, particularly in regards to workforce certification.

TRANSFER OF CREDIT UNDERSTANDINGS

All campuses should support and endorse a comprehensive system of course transfer and program articulation that allows students to easily move from campus to campus as their educational objectives change and progress. Toward that end, campuses are expected to be active participants of the Statewide Transfer and Articulation Committee in support of the intent of House Bill 1209.

REMEDIAL EDUCATION

The need to invest resources in and offering of remedial education at the college-level will be diminished as: 1) Indiana high school students become more aware of the requirements for admission and success in Indiana's colleges and universities, and 2) opportunities for Indiana high school students to pursue and successfully complete a Core 40 or Academic Honors diploma increase.

Although pre-college remediation will be diminished for Indiana's future high school graduates, pre-college remedial instruction will still be necessary to support the needs of the current adult population, particularly those adults without a high school diploma. Remedial instruction will continue to be offered by Ivy Tech State College and Vincennes University. Limited remedial education will be offered through the regional campuses of Indiana University and Purdue University and IUPUI as outlined in the *Agreement for the Continued Development of the Regional Campuses of Indiana University and Purdue University, and IUPUI*, dated May 23, 2001. The University of Southern Indiana is expected to further reduce its levels of remedial instruction.

Remedial education will not be offered at the following campuses: 1) Ball State University; 2) Indiana State University; 3) Indiana University – Bloomington; and 4) Purdue University – West Lafayette.

COMMUNITY COLLEGE REFERRAL PROGRAMS FOR UNDERPREPARED STUDENTS

In line with the expectations for remedial education and admission selectivity, all Indiana public four-year campuses are expected to have formal referral programs with the state's two-year campuses. These programs will support students who do not meet the admission standards of the four-year campuses or who need considerable remedial education by referring them to the local community college campus; providing the student with a clear set of expectations about what the student must do in order to be admitted to the four-year campus; and guaranteeing the student admission to the four-year campus once the student has met the written expectations of the four-year campus. Such referral programs should inform students seeking a residential experience of opportunities available at Vincennes University.

ADMISSION SELECTIVITY FOR RECENT HIGH SCHOOL GRADUATES

Admission requirements are based on a variety of measures including, but not limited to, grade point average, standardized test scores, class rank, and pre-collegiate coursework. The following text outlines the pre-collegiate coursework to be required for admission at Indiana's public colleges and universities. While encouraging Hoosier students to complete Core 40, the state expects Ivy Tech State College and Vincennes University to remain open admission campuses. The state expects that IUPUI, University of Southern Indiana, and the regional campuses of Indiana University and Purdue University will require the Core 40 curriculum as a minimum admission requirement for Indiana high school graduates with strong encouragement of Academic Honors Diploma completion. The state expects that Ball State University, Indiana State University, Indiana University – Bloomington, and Purdue University – West Lafayette will have highly selective admission policies with completion of the Core 40 curriculum as a minimum admission requirement for Indiana high school students, while strongly encouraging and giving preference to the completion of an Academic Honors Diploma.

CAMPUS SIZE⁵

“Stable” campuses are defined by serving approximately the same number of students every year. Campuses with “stable” enrollments include: 1) Ball State University; 2) Indiana State University; 3) Indiana University – Bloomington; and 4) Purdue University – West Lafayette.

The state expects enrollment growth for “changing” campuses and applies the enrollment change funding adjustment to these campuses to reflect the enrollment of greater or fewer numbers of Hoosier students. The “changing” campuses include: 1) all the regional campuses of Indiana University; 2) IUPUI; 3) Ivy Tech State College; 4) all the regional campuses of Purdue University; 5) University of Southern Indiana; and 6) Vincennes University.

CAMPUS HOUSING OPPORTUNITIES

Ball State University, Indiana State University, Indiana University – Bloomington, Purdue University – West Lafayette, Vincennes University are residential campuses. The University of Southern Indiana provides campus housing for a significant number of students. The regional campuses of Indiana University and Purdue University and IUPUI can develop very limited campus housing opportunities for students in accordance with the *Agreement for the Continued Development of the Regional Campuses of Indiana University and Purdue University, and IUPUI*, dated May 23, 2001.

PRIMARY AREA FOR RECRUITING STUDENTS

Campuses recruiting Indiana students in a statewide capacity include: 1) Ball State University; 2) Indiana State University; 3) Indiana University – Bloomington; 4) Purdue University – West Lafayette; 5) University of Southern Indiana; 6) IUPUI; and 7) Vincennes University. While serving Indiana in a statewide capacity, University of Southern Indiana, IUPUI, and Vincennes University also have concentrated efforts and responsibility to a specific region in the state. The regional campuses of Indiana University and Purdue University have a primary regional area for recruiting Indiana students. Although Ivy Tech State College is a statewide system, its individual campuses have defined regional areas for recruiting Indiana students.

CHARTER SCHOOL SPONSORSHIP

Indiana adopted charter school legislation in 2001 (IC 20-5.5). The strength of Indiana’s law is largely based upon the sponsorship institutions. In addition to local districts and the Mayor of Indianapolis, all state universities may sponsor charter schools in Indiana.

PRIMARY GEOGRAPHIC SERVICE AREA⁶

All Indiana’s public campuses have a defined primary geographic service area as outlined in the *Mission Statements for Indiana’s Public Postsecondary Campuses*, dated 1994.

INDIANA’S INDEPENDENT SECTOR OF HIGHER EDUCATION

Indiana’s independent, nonprofit, regionally accredited colleges and universities are an integral part of the state’s higher education network. These institutions’ wide geographic distribution around the state and their locations in both urban areas and small towns make them key points of access to higher education

⁵ Adopted by the Commission for Higher Education on September 12, 1997 as proposed in the September 4, 1997 document entitled *1999-01 Incentive and Performance Funding Initiatives*.

⁶ Adopted by the Indiana Commission for Higher Education on February 3, 1994 as proposed in the January 24, 1994 document entitled *Indiana Postsecondary Education: The Challenge 1993-2003*.

for many Hoosiers. Moreover, these campuses have proven to be vital economic engines for their host communities.

Indiana's independent sector of higher education has 31 individual colleges and universities located on 32 main campuses and a number of satellite sites found throughout the state. While the majority of these institutions were founded as liberal arts and science colleges, many have expanded their curricula to encompass a number of professional and graduate level programs. All are committed to providing high-caliber education to Indiana students of all ages, ethnic backgrounds, and family financial circumstances. Each year, these campuses serve more than 73,000 students.

Indiana's independent colleges and universities place a high importance on enriching the entire educational experience for each one of their students. From professors whose priority is teaching undergraduates in small, highly interactive classes to a wide range of non-academic offerings, Indiana's independent colleges and universities seek to provide students with an inspiring living and learning environment.

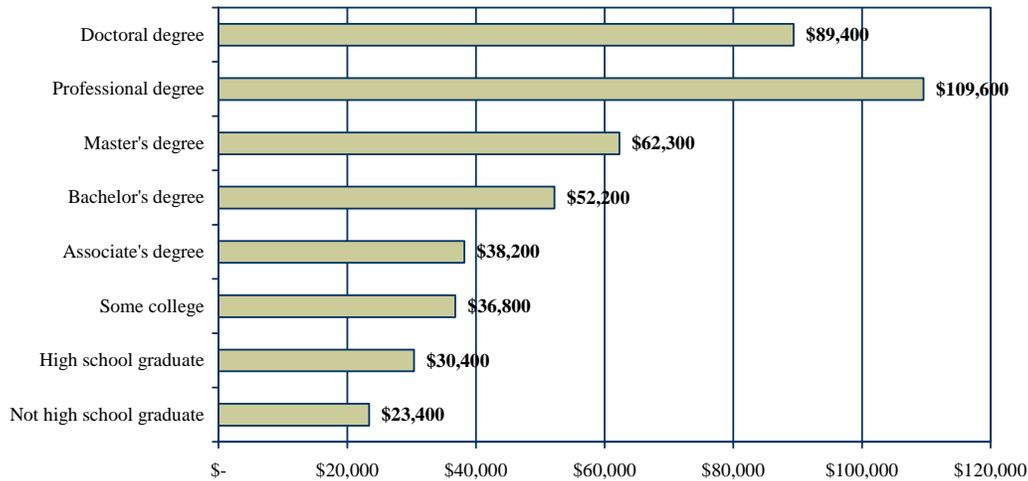
Many of these institutions place at or near the top of the higher education rankings, such as found in *U.S. News & World Report*, *Barron's*, *Peterson's*, and *The Templeton Guide*. Approximately two-thirds of the revenue for Indiana's independent institutions comes from tuition and fee income. The remainder comes from a mix of private gifts, foundation grants, endowment income, and federal and state student financial aid, along with a variety of other less substantial but still significant funding sources.

Indiana's independent colleges and universities have a 175-year tradition of working with both K-12 and state-supported postsecondary institutions to ensure that Indiana citizens have access to the higher education setting that best meets their individual needs while striving to keep the Hoosier state competitive in the ever-expanding world economy.

BENEFITS OF INVESTMENT

A bright future for the state requires a well-educated workforce, particularly one with postsecondary education. Our continued progress into the global economy demands that we educate our students to succeed in a highly competitive market. Citing returns on the investment in higher education, bachelor's degree recipients earn an average of \$2.1 million in their lifetime compared to an average of \$1.2 million in lifetime earnings for individuals with only a high school diploma.

Average Annual Earnings of Full-Time Workers Ages 25 to 64 by Educational Attainment



Source: U.S. Census Bureau. (July 2002) *The Big Payoff: Educational Attainment and Synthetic Estimates of Work-Life Earnings*.

An associate degree recipient adds \$7,800 per year to expected income when compared to persons with only a high school diploma. If 10,000 additional students were to earn an associate degree, it could add as much as \$78 million per year to the economy (\$3.12 billion over 40-year lifespan). Along those same lines, if 10,000 additional students earned a bachelor's degree, it could add as much as \$267 million per year to the economy (\$10.68 billion over 40-year lifespan).

All the state's stakeholders have to recognize that quality of life as well as quality of work can be elevated by postsecondary education. More highly educated citizens tend to: 1) pay more taxes; 2) vote at higher levels; 3) be more likely to donate to charity; and 4) be more involved in their communities. Indiana has many extraordinary assets that need to be developed to enhance the social and cultural life of the state. Principal among these should be the P-16 system of education.

APPENDIX I: POSTSECONDARY EDUCATION INDICATORS

The National Center for Public Policy and Higher Education has produced *Measuring Up*, an important nationwide report that Indiana should note and use. The indicators used in this report will provide critical signposts for assessing our progress in a comparative and competitive context as well as provide a valuable benchmark for our own progress over successive years.

Institutional Performance Indicators

Participation

- Number and percentage of students aged 18 to 24 enrolled for credit.
- Number and percentage of students aged 25 and older enrolled for credit—undergraduate and graduate.
- Percentage of students enrolled by race and compared to statewide racial percentages.
- Number and percentage of students who transfer from a two-year campus to a four-year campus.
- Number of 21st Century Scholars enrolled for credit.

Preparation

- SAT (25th and 75th percentile) of entering class—Hoosier and all.
- Percentage of entering Hoosier students who completed a Core 40 or Academic Honors Diploma.
- Number and percentage of entering students in top 10%, 25%, and 50% of their high school class.
- Number of entering students who have earned dual enrollment credit
- Number of remedial sections and total enrollment (duplicated headcount).
- Number and percentage of students taking and scoring well (3+) on Advanced Placement exams, and granted credit toward their college degree.

Affordability

- Percent of median family income needed to pay undergraduate resident tuition and fees (net of state and institutional student aid).
- Institutional grant aid to resident undergraduates distinguishing need-based from merit-based.
- Increase in undergraduate resident tuition and fees compared to change in family income (Indiana non-farm personal disposable income) and change in the Consumer Price Index (CPI) and Higher Education Price Index (HEPI).
- Resident student share of cost of instruction.
- Pell recipients as a percentage of resident undergraduates.

Student Success & Degree Completion

- Percentage of freshman who return for their sophomore year, or who transfer to another institution--all and by race.
- Four-year and six-year graduation rates for 4-yr institutions; two-year and three-year graduation rates/certificate completion rates for 2-yr institutions—all and by race. (Also ten-year graduation rates for part-time, bachelor's degree students at Indiana's regional campuses, and six-year graduation rates for associate degree students at Indiana's two-year institutions.)
- Number of undergraduate degrees awarded annually divided by the rolling average of incoming degree-seeking freshman.

Research and Economic Development

- Total federal research and development expenditures.
- Total sponsored program expenditures.
- Number and percentage of graduates remaining in Indiana one year and five years after graduation.

Learning

- To be determined by each campus.

Statewide and Institutional Descriptors

Participation (*Indicators to be calculated by race/ethnicity and gender*)

- Total enrollment (FTE and HCT) by residency.
- Percent of high school graduates going directly to college.
- Percent of 25-44 year-olds enrolling part-time.
- Total enrollment as a percent of 18 to 64 year olds.

Preparation

- Percent of 8th graders taking Algebra I (national comparison).
- Percent of entering Hoosier students who completed a Core 40 or Academic Honors Diploma.
- Number of ACT scores 26 and higher and SAT scores 1200 and higher - per 1,000 high school graduates (national comparison).
- Percent of 8th graders scoring at or above proficient on the national assessment of educational progress exams in math, science, reading, and writing (national comparison).
- Percent of students passing Indiana's End of Course Assessments.
- Number and percentage of students taking and scoring well (3+) on Advanced Placement exams, and granted credit toward their college degree.

Affordability

- Tuition and fees for full-time Hoosier undergraduates.
- Institutional grant aid to undergraduates distinguishing between residents and nonresidents.
- Need-based student aid as a percentage of institutional aid to undergraduates.
- Average amount of undergraduate indebtedness of students who borrowed upon graduation.
- Average amount of undergraduate indebtedness of Pell-recipient students who borrowed upon graduation.
- Number of Pell grant recipients and Pell recipients as a percentage of all undergraduates.
- Estimated state grant dollars to undergraduates per FTE undergraduate.
- Resident and nonresident student share of educational expenditures.
- Percent of income needed to pay for college expenses minus financial aid by institutional type.

Student Success & Degree Completion

- Four- and six-year graduation rates (peer comparison).
- Freshman-to-sophomore persistence (peer comparisons).
- Number of undergraduate degrees awarded annually divided by the rolling average of incoming degree-seeking freshman.

Research and Economic Development

- Number and percentage of graduates by degree level and instructional program.
- Percentage of Hoosier with at least a baccalaureate degree (compare to other states).
- Sponsored grants and contracts and sponsored research grants and contracts.
- Total R&D expenditures as reported on NSF R&D expenditure surveys (compare to other states).
- Total federal R&D expenditures as reported on NSF R&D expenditure surveys (compare to other states).
- Changes in research support adjustment indexed to increases in institutional research productivity.

Resource Utilization

- Percentage of instructional and general expenditures (exclude research, public service, auxiliaries) for instruction (compare to peers).
- Distribution of education and general expenditures and transfers (compare to peers).
- Debt service as a percentage of total appropriations.
- Plant expansion and new facility costs in relation to state appropriation increases.
- Faculty salary and compensation (compare to peers).
- State appropriations per full-time equivalent resident student (with peer comparisons).
- Expenditures per full-time equivalent student (with peer comparisons).
- Analysis of projected versus actual enrollment by degree program.
- Two-year to four-year transfer rates.
- All student share of cost of instruction (peer comparisons).